GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1170
ANSWERED ON:24.10.2008
NATIONAL ENERGY FUND
Nikhil Kumar Shri

Will the Minister of POWER be pleased to state:

(a) whether the transmission and distribution losses in power sector in the country have increased during the last few years;

(b) if so, the details thereof;

(c) whether the Government proposes to set up a National Energy Fund to help State Electricity Boards to plug transmission and distribution losses; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE & INDUSTRY AND MINISTER OF STATE IN THE MINISTRY OF POWER(SHRI JAIRAM RAMESH)

(a) & (b) : Prior to year 2001-02, utilities used to monitor Transmission and Distribution (T&D) losses. Concept of Aggregate Technical and Commercial (AT&C) loss was introduced in 2001-02. AT&C loss captures not only technical losses, but also captures theft, pilferages and commercial losses due to poor metering and billing and non-realization of dues. The draft report on Performance of State Power Utilities for the years 2004-05 to 2006-07 prepared by the Power Finance Corporation indicates that the AT&C Loss of the State Power Utilities at the national level for 2004-05, 2005-06 and 2006-07 was 34.82%, 35.18% and 33.07% respectively of the total energy available for sale.

(c) & (d): Finance Minister (FM) in his Budget Speech of 29-02-2008 has proposed to provide Rs.800 crore in 2008-09 for the Accelerated Power Development and Reforms Programme (APDRP). He has further stated that it is the poor state of transmission and distribution (T&D) that is a drag on the sector and huge investments are required to be made in T&D, but linked to fundamental reforms. Hence, it has been proposed by Finance Minister to create a national fund for transmission and distribution reform. In pursuance of the announcement made by the Finance Minister in the Budget Speech (2008-09) for creation of a National Fund, a Committee under the chairmanship of the Member (Power), Planning Commission has been constituted to consider various aspects of establishing the National Electricity Fund (NEF).